



## 46<sup>th</sup> Session of the INSMEAcademy

### "Promoting Entrepreneurship: UNCTAD's Policy Approach to Support Sustainable Business Growth"

30<sup>th</sup> of March 2017

During the 46<sup>th</sup> session of the INSMEAcademy Mrs. Fiorina Mugione, Chief of the Entrepreneurship Section - Division on Investment and Enterprise at the United Nations Conference on Trade And Development - UNCTAD, emphasized the importance of entrepreneurship in driving change and sustainable development on a global scale and the fundamental role played by policy and support measures to let entrepreneurship prosper.

Mrs. Mugione firstly brought the attention to the difficulties diverse countries meet in fighting inequalities and providing a more inclusive growth. This problem does not only affect developing countries but embraces also the United States or many countries in Europe facing the same challenge. Given this scenario and being aware that promoting the creation of small and medium sized firms would be an answer to this problem, it is of paramount importance to create the conditions to let entrepreneurship prosper.

UNCTAD recognized that policy makers, in particular in developing countries, need support to create an enabling environment for SMEs and exploit this undeniable potential for growth. This is the reason why a group of experts at UNCTAD developed an Entrepreneurship Policy Framework according to which countries should formulate a **national entrepreneurship strategy** and identify related goals and objectives. The strategy is expected to have 5 additional pillars covering the following elements:

- a. Optimize the regulatory framework
- b. Enhancing entrepreneurship education and skills development
- c. Facilitating technology exchange and innovation
- d. Improving access to finance
- e. Promoting awareness and networking.

UNCTAD developed a detailed checklist for each policy area with the aim of drafting a strategy containing an action plan covering several fronts. In order to build the **strategy** and the **action plan**, it is essential to be aware of the situation of the country and this is made possible through an assessment process that takes two main issues into account: the identification of

specific challenges and opportunities as well as the goals to be achieved. Once the entrepreneurship strategy has been identified it is of paramount importance to check if it is coherent with other national policies as for example the ones related to education, trade, etc. Mrs. Mugione shared some positive examples of policies and initiatives implemented around the world. This is the case of South Africa that after having identified youth entrepreneurship as a priority has put a Youth Enterprise Development Strategy in place. A further example, by looking at the institutional framework is Singapore that is the only country in the world that has a Minister of Entrepreneurship and an institution offering adequate support to entrepreneurs.

The second area on which Mrs. Mugione focused on is the **Regulatory Environment**. The checklist firstly aims at mapping the situation of the regulatory framework, then through a series of questions it analyses if the country has established support policies encouraging the transition of SMEs to the formal business sector, if the government effectively assists startups in meeting regulatory requirements and the level of confidence entrepreneurs have with specific policies. Other relevant issues are also taken into consideration, as for example the protection of entrepreneurs' property rights or the transparency of administrative procedures.

A further element analysed by the Speaker is the enhancement of **entrepreneurship education and skills development**. Aspects to be considered include how entrepreneurship is embedded both in formal and informal education. This process should involve all relevant stakeholders as educators, policy makers and representatives from private sector that can offer a significant contribution in building up an entrepreneurial education system.

Mrs. Mugione concluded the presentation of the Entrepreneurship Policy Framework stressing the importance of monitoring since a continuous feedback mechanism can guarantee the smooth implementation of the strategy. A short, medium and long term evaluation mechanism should be adopted in order to make the necessary adjustments to the implementation of the strategy.